



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2006
OF THE CONDITION AND AFFAIRS OF THE

Premier Behavioral Systems of Tennessee, LLC

NAIC Group Code	0000	0000	NAIC Company Code	00000	Employer's ID Number	62-1641638
	(Current Period)	(Prior Period)				
Organized under the Laws of	Tennessee				State of Domicile or Port of Entry	Tennessee
Country of Domicile						United States
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation []					
	Vision Service Corporation [] Other [] Health Maintenance Organization []					
	Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No []					
Incorporated/Organized	05/15/1996		Commenced Business	07/01/1996		
Statutory Home Office	222 Second Ave. N. Suite 220				Nashville, TN 37201	
	(Street and Number)				(City or Town, State and Zip Code)	
Main Administrative Office	222 Second Ave. N. Suite 220					
	(Street and Number)					
	Nashville, TN 37201				615-313-4463	
	(City or Town, State and Zip Code)				(Area Code) (Telephone Number)	
Mail Address	222 Second Ave. N. Suite 220				Nashville, TN 37201	
	(Street and Number or P.O. Box)				(City or Town, State and Zip Code)	
Primary Location of Books and Records	222 Second Ave. N. Suite 220					
	(Street and Number)					
	Nashville, TN 37201				615-313-4463	
	(City or Town, State and Zip Code)				(Area Code) (Telephone Number)	
Internet Website Address	N/A					
Statutory Statement Contact	Michael Fotinos				410-953-1643	
	(Name)				(Area Code) (Telephone Number) (Extension)	
	mdfotinos@magellanhealth.com				410-953-5205	
	(E-mail Address)				(FAX Number)	
Policyowner Relations Contact						
	(Street and Number)					
	(City or Town, State and Zip Code)					(Area Code) (Telephone Number) (Extension)

OFFICERS

Name	Title	Name	Title
Russell C. Petrella	President		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Russell C. Petrella	William R. Grimm	Rene Lerer
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State of Connecticut ss Avon
County of Hartford

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Russell C. Petrella
Russell C. Petrella
President

William R. Grimm
William R. Grimm
Director

Subscribed and sworn to before me this
21st day of June, 2007
Raymonde A. Pelletier

RAYMONDE A. PELLETIER
NOTARY PUBLIC
MY COMMISSION EXPIRES AUG. 31, 2008

a. Is this an original filing? Yes [] No [X]
b. If no,
1. State the amendment number 1
2. Date filed 6/20/2007
3. Number of pages attached

**STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2006 OF THE Premier Behavioral Systems of
Tennessee, LLC**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building).....			294,475		294,475
2. Salaries, wages and other benefits.....			10,592,163		10,592,163
3. Commissions (less \$ ceded plus \$ assumed.....)			31,893		31,893
4. Legal fees and expenses.....			121,598		121,598
5. Certifications and accreditation fees.....			911		911
6. Auditing, actuarial and other consulting services.....			1,279,728		1,279,728
7. Traveling expenses.....			386,749		386,749
8. Marketing and advertising.....			253,773		253,773
9. Postage, express and telephone.....			472,720		472,720
10. Printing and office supplies.....			931,037		931,037
11. Occupancy, depreciation and amortization.....			4,830,035		4,830,035
12. Equipment.....			7,497		7,497
13. Cost or depreciation of EDP equipment and software.....					0
14. Outsourced services including EDP, claims, and other services.....			(8,514)		(8,514)
15. Boards, bureaus and association fees.....			63,251		63,251
16. Insurance, except on real estate.....					0
17. Collection and bank service charges.....			86,655		86,655
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....			5,623		5,623
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....			4,367,143		4,367,143
23.3 Regulatory authority licenses and fees.....					0
23.4 Payroll taxes.....					0
23.5 Other (excluding federal income and real estate taxes).....			127,995		127,995
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	2,284,181	0	0	2,284,181
26. Total expenses incurred (Lines 1 to 25).....	0	2,284,181	23,844,732	0	(a) 26,128,913
27. Less expenses unpaid December 31, current year.....			87,467		87,467
28. Add expenses unpaid December 31, prior year.....	0	0	91,506	0	91,506
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	0	2,284,181	23,848,771	0	26,132,952
DETAIL OF WRITE-INS					
2501. Claims processing expense allocated from parent.....		2,284,181			2,284,181
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598)(Line 25 above).....	0	2,284,181	0	0	2,284,181

(a) Includes management fees of \$20,809,629 to affiliates and \$0 to non-affiliates.